



U.S. Department of Justice

*United States Attorney
Eastern District of New York*

BDM/TBM
F. #2021R00164

*271 Cadman Plaza East
Brooklyn, New York 11201*

April 30, 2024

By ECF

The Honorable Joseph A. Marutollo
United States Magistrate Judge
Eastern District of New York
255 Cadman Plaza East
Brooklyn, New York 11201

Re: United States v. Shares of 21 East 61st Street Apartment Corp. et al.
Civil Docket No. 24-2147

Dear Judge Marutollo:

The government respectfully writes pursuant to the Court's March 27, 2024 Order, directing the government to file a status report by April 30, 2024.

The government's Verified Complaint In Rem, filed on March 25, 2024, seeks forfeiture of (a) any and all shares of 21 East 61st Street Apartment Corp. held in the name of Lovitas, Inc., together with the appurtenant proprietary lease for Cooperative Unit 12E within the real property and premises located at 21 East 61st Street, New York, New York 10065, and all proceeds traceable thereto (the "Carlton House Property"); and (b) Condominium Unit 58D, together with its respective appurtenances, improvements, fixtures, attachments, easements and furnishings, located at 230 West 56th Street, New York, New York 10019, and all proceeds traceable thereto (the "Park Imperial Property," and, together with the Carlton House Property, the "Defendant Properties").

Since the filing of the Verified Complaint In Rem, the government has issued notice and publication in accordance with the requirements of 18 U.S.C. § 985(c) and Rule G(4)(b) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions (the "Supplemental Rules"). Specifically:

- Beginning on April 4, 2024, notice of the action has been published each day on the official government website www.forfeiture.gov, and will continue for a total of 30 days, to conclude on May 3, 2024. See Supp. R. G(4)(a)(iv)(C) and G(5)(a)(ii)(B). Claimants have 30 days after final publication of the notice to file a claim, or in other words, until June 3, 2024. See Supp. R. G(5)(a)(ii)(B).

- On April 4, 2024, notices pursuant to 18 U.S.C. § 985 were posted on the external doors of each of the Defendant Properties, together with copies of the Verified Complaint In Rem. See ECF No. 6 (FBI Special Agent Pak Certificate of Service).
- On April 18, 2024, a lis pendens was filed with the Clerk of New York County, noticing the government's security interest in the Park Imperial Property. The U.S. Marshals Service ("USMS") verified the filing on a USM-285 form.
- On April 23, 2024, a UCC Financing Statement was filed in the Office of the City Register of the City of New York, noticing the government's security interest in the Carlton House Property. The USMS verified the filing on a USM-285 form.
- On April 29, 2024, notices were mailed to, among others, the registered agents for the titleholders to the Defendant Properties. See Supp. R. G(4)(b)(ii)(A); see also ECF No. 7 (Paralegal Yvette Ramos Certificate of Service). Claimants have 35 days from the date notice was issued to file a claim, or in other words, until June 3, 2024. See Supp. R. G(4)(b)(ii)(B).

If and when a claim is entered, the government intends to serve special interrogatories directed to the claimant's standing, which is a threshold issue in all forfeiture proceedings. Supp. R. G(6)(a)-(c) (providing that government need not respond to any motion to dismiss until after claimant has answered special interrogatories); see, e.g., United States v. \$8,440,190 in U.S. Currency, 719 F.3d 49, 57 (1st Cir. 2013) ("Standing is a threshold consideration in all cases, including civil forfeiture cases.").

Accordingly, the government respectfully requests that the Court defer scheduling an initial conference or setting a discovery schedule until after the notice and claim period has concluded, one or more claims are filed, and the government has an opportunity to assess any potential claimant's standing through service of special interrogatories authorized by Rule G(6) of the Supplemental Rules. The government respectfully requests that it be directed to file a

status report in approximately 60 days, or by July 1, 2024, advising as to the status of any potential claims.

Respectfully submitted,

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